

# **FISCAL NOTE**

## **HB 1435 - SB 1676**

March 1, 2001

### **SUMMARY OF BILL:**

- Clarifies that employee salary reduction contributions to cash or deferred plans are considered wages for unemployment insurance purposes in Tennessee.
- Clarifies for unemployment insurance benefit purposes, the amount of back pay constitutes wages paid in the period for which it was awarded.
- Provides that any employer who is a party to a back pay award settlement is required to report to the Division of Employment Security within 30 days.
- Requires the Division of Employment Security to give an employer who fails to file a Wage and Premium Report 30 days to respond to a written notice. If the employer fails to respond, the employer will be sent a certified mail notification giving the employer another 30 days to respond before the assessment becomes final.

### **ESTIMATED FISCAL IMPACT:**

#### **Other Fiscal Impact:**

**Increase Revenues - Not Significant/Unemployment Insurance Trust Fund**  
**Decrease Federal Expenditures - Not Significant**

Estimate assumes:

- a not significant increase in revenues to the Unemployment Insurance Trust Fund.
- a decrease in expenditures as the result of less Unemployment Insurance appeals hearings. All administrative cost relating to the Unemployment Insurance program is federally funded.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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